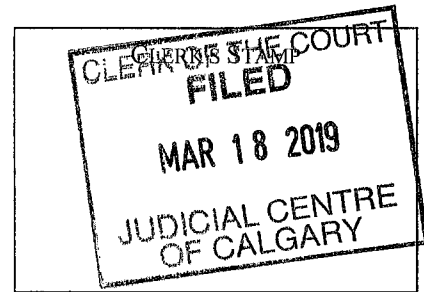


FORM 7
[RULE 3.8]



COURT FILE NUMBER 1901 – 02578
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANTS **IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended**
IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, as amended
AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF ELCANO EXPLORATION INC., ELCANO EXPLORATION LTD. and ELCANO EXPLORATION PARTNERSHIP

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard and Kelsey Meyer
Telephone No.: 403-298-4485 / 403-298-3323
Fax No.: 403-265-7219
Client File No.: 86037.1

NOTICE TO THE RESPONDENTS

This application is made against you. You are a respondent.
You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: Thursday, March 28, 2019
Time: 1:00 p.m.
Where: Calgary Courts Centre
601 – 5th Street S.W., Calgary

Before: The Honourable Madam Justice K.M. Horner

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. If necessary, an Order abridging the time for service of this Application and supporting materials and declaring service to be good and sufficient;
2. An Order:
 - (a) extending the stay of proceedings, as ordered and defined in paragraph 13 of the Initial Order granted herein on February 26, 2019 ("**Initial Order**") to June 14, 2019; and
 - (b) amending paragraph 9(a) of the Initial Order to state:

"to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order, other than interest payments and professional fees to NBC;"

[underlining indicates the amended wording]

- in substantially the form of the proposed Order attached hereto as Schedule "A";
3. An Order approving a procedure (a "**Claims Procedure**") for identifying, classifying, valuing, proving and adjudicating various claims by creditors of Elcano Exploration Inc. ("**EEI**"), Elcano Exploration Ltd. ("**EEL**") and Elcano Energy Partnership ("**EEP**", and together with EEI and EEL, the "**Elcano Group**") and setting out the steps and procedures to be taken by the Elcano Group, the Monitor, and any creditors of or claimants against the Elcano Group or their respective directors and officers in substantially the form of the proposed Order attached hereto as Schedule "B";
 4. An Order authorizing the Elcano Group to pay for certain goods and services supplied to the Elcano Group by certain critical suppliers prior to the date of the Initial Order, in substantially the form of the proposed Order attached hereto as Schedule "C";

5. A Order sealing Confidential Exhibit "1" to the Affidavit of Richard Fulton sworn March 18, 2019 on the Court file until the conclusion of these proceedings pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, in substantially the form of the proposed Order attached hereto as Schedule "D".
6. Such further and other relief, advice and directions as counsel may request and this Honourable Court may deem appropriate in the circumstances.

Grounds for making this application:

7. On February 26, 2019, the Honourable Madam Justice K.M. Horner of this Court granted the Initial Order in this Action granting, among other things, a stay of proceedings in favour of the Elcano Group, until and including March 28, 2019 (the "**Stay Period**").
8. Since the granting of the Initial Order, the Elcano Group has taken significant steps to advance the restructuring, including but not limited to:
 - (a) cooperating with the Monitor to facilitate its monitoring of the Elcano Group's business and operations;
 - (b) communicating with various stakeholder groups and/or their advisors, including counsel for National Bank of Canada ("**NBC**"), trade creditors, employees, contractors and others;
 - (c) working with the Monitor and GMP FirstEnergy ("**GMP**") to pursue the sale and investment solicitation process which was approved by this Honourable Court on February 26, 2019, a copy of which is attached to the Initial Order as Schedule "A"; and
 - (d) continuing to operate and manage the business and operations of the Elcano Group in the ordinary course, subject to the terms of the Initial Order.
9. The timeline pursuant to the SISP contemplates closing of a successful transaction(s) by June 14, 2019. The requested extension of the Stay corresponds to the closing of a successful transaction(s) pursuant to the SISP.

10. The Elcano Group is working in good faith and with due diligence in these proceedings, it is in the best interests of the Elcano Group and all of its stakeholders that the Stay Period be extended, and it is appropriate in the circumstances to so order.
11. The Elcano Group proposes to make voluntary payments of the professional fees of NBC's counsel, Norton Rose Fulbright Canada LLP, and NBC's financial advisor, FTI Canada Consulting Inc., in the aggregate amount of approximately \$200,000 (including \$150,782 invoiced for services that pre-date the Initial Order, and \$50,000 for anticipated further professional fees) during the Stay Period.
12. The Claims Procedure proposed by the Elcano Group is reasonable and appropriate, as:
 - (a) the creditors of the Elcano Group are largely known to the Elcano Group, and the valuation and classification of the claims against the Elcano Group can be assessed by the Elcano Group and the Monitor by using the Elcano Group's books and records;
 - (b) the proposed Claims Procedure permits any unknown creditors to advance and prove their claims;
 - (c) the proposed Claims Procedure is similar to claims procedures approved in other CCAA proceedings;
 - (d) the terms of the proposed form of Order approving the Claims Procedure are reasonable in the circumstances;
 - (e) knowledge of all claims against the Elcano Group will facilitate the distribution of the proceeds of the SISP, or the making of a Plan of Compromise and Arrangement following the SISP;
 - (f) the provisions of the CCAA and the inherent and equitable jurisdiction of this Court; and
 - (g) such further grounds as may be set forth in the Affidavit of Richard Fulton and the First Report of the Monitor, filed herewith.

13. The Elcano Group has contracted three well operators of certain of its non-core production assets in Alberta and Saskatchewan and certain of its core production assets in Manitoba that are critical to the ongoing operations of the Elcano Group, and whose continued, uninterrupted provision of goods and services is crucial to allowing the Elcano Group to continue its business operations and preserve the value of the business operations. The potential disruption to business operations of the Elcano Group should these critical suppliers not continue to be paid in the ordinary course (and possibly withhold their goods and services while other payment arrangements were put in place, going forward), could be material and could negatively affect the Elcano Group's cash flow forecast.
14. Confidential Exhibit "1" to the Affidavit of Richard Fulton sworn March 18, 2019 contains commercially sensitive information about the parties that have expressed interest in and have participated in the SISP to date, and as such, the Elcano Group seeks an Order sealing it on the Court file until the conclusion of these proceedings pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.
15. The Monitor supports the request for the extension of the Stay Period and the remainder of the relief being sought.
16. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or other evidence to be relied on:

17. The pleadings and proceedings filed in the within Action.
18. The First Report of the Monitor, Hardie & Kelly Inc., to be filed.
19. The Affidavit of Richard Fulton sworn March 18, 2019, filed herewith.
20. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

21. None.

Applicable Acts and regulations:

22. The *Companies' Creditors Arrangement Act*, RSC 1985 c C-36 as amended (the "CCAA").

Any irregularity complained of or objection relied on:

23. None.

How the application is proposed to be heard or considered:

24. Before the Honourable Madam Justice K.M. Horner in an application in chambers on the Commercial List as scheduled.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicants and against all persons claiming under the applicants. You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicants are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicants a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

SCHEDULE "A"

COURT FILE NUMBER

1901 – 02578

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9, as amended

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF ELCANO EXPLORATION INC., ELCANO EXPLORATION LTD. and ELCANO EXPLORATION PARTNERSHIP

DOCUMENT

ORDER (STAY EXTENSION AND AMENDMENT TO INITIAL ORDER)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard and Kelsey Meyer
Telephone No.: 403-298-4485 / 403-298-3323
Fax No.: 403-265-7219
Client File No.: 86037.1

DATE ON WHICH ORDER WAS PRONOUNCED:

Thursday, March 28, 2019

LOCATION OF HEARING OR TRIAL:

Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER:

The Honourable Madam Justice K.M. Horner

UPON the Application of Elcano Exploration Inc. ("**EEI**") and Elcano Exploration Ltd. ("**EEL**"); **AND UPON** having read the Application, the Affidavit of Richard Fulton sworn March 18, 2019 (the "**Fulton Affidavit**"), the First Report of Hardie & Kelly Inc., the Court-appointed Monitor of the Applicants (the "**Monitor**"), and the Affidavit of Service of Allison Endersby affirmed March ●, 2019, all filed; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the National Bank of Canada ("**NBC**"), and counsel for other interested parties:

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of this application and supporting document is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this application.
2. The Stay Period as ordered and defined in paragraph 13 of the Initial Order granted herein on February 26, 2019, is hereby extended until and including June 14, 2019.
3. Paragraph 9(a) of the Initial Order is hereby amended to state:

to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order, other than interest payments and professional fees to NBC;
4. The Elcano Group shall serve this Order on the persons listed on the service list by any of email, facsimile, courier, registered mail, regular mail, or personal delivery, and no persons other than those on the service list are required to be served with a copy of this Order.

J.C.Q.B.A. or Clerk of the Court

SCHEDULE "B"

CLERK'S STAMP

SCHEDULE "B"

COURT FILE NUMBER

1901 – 02578

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9, as amended

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF ELCANO EXPLORATION INC., ELCANO EXPLORATION LTD. and ELCANO EXPLORATION PARTNERSHIP

DOCUMENT

ORDER (CLAIMS PROCEDURE)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard and Kelsey Meyer
Telephone No.: 403-298-4485 / 403-298-3323
Fax No.: 403-265-7219
Client File No.: 86037.1

DATE ON WHICH ORDER WAS PRONOUNCED:

Thursday, March 28, 2019

LOCATION OF HEARING OR TRIAL:

Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER:

The Honourable Madam Justice K.M. Horner

UPON the Application of Elcano Exploration Inc. ("**EEL**") and Elcano Exploration Ltd. ("**EEL**"); **AND UPON** having read the Application, the Affidavit of Richard Fulton sworn March 18, 2019 (the "**Fulton Affidavit**"), the First Report of Hardie & Kelly Inc., the Court-appointed Monitor of the Applicants (the "**Monitor**"), and the Affidavit of Service of Allison Endersby affirmed March ●, 2019, all filed; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the National Bank of Canada ("**NBC**"), and counsel for other interested parties:

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. Service of this application and supporting document is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this application.

Interpretation and General Provisions

2. Capitalized terms not defined herein have the meaning given to such terms in the Initial Order granted by the Honourable Madam Justice K. M. Horner on February 26, 2019, pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**Initial Order**").
3. For the purposes of this Order (the "**Claims Procedure Order**"), in addition to terms defined elsewhere herein, the following terms shall have the following meanings:
 - (a) "**BIA**" means the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended;
 - (b) "**Business Day**" means a day other than a Saturday, Sunday, or statutory holiday, on which banks are generally open for business in Calgary, in the province of Alberta, Canada.
 - (c) "**Calendar Day**" means a day, including Saturday, Sunday, or any statutory holiday.

- (d) "**CCAA**" means the *Companies' Creditors' Arrangement Act*, RSC 1985, c C-36, and "**CCAA Proceedings**" means the proceedings commenced by EEI and EEL pursuant to the provisions of the CCAA under Court File No. 1901-02578.
- (e) "**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against EEI, EEL or Elcano Energy Partnership ("**EEP**" and, together with EEI and EEL, the "**Elcano Group**"), whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, any claim arising in tort (whether intentional or unintentional), breach of contract or other agreement, breach of duty (including, without limitation, any legal, statutory, express, implied, equitable or fiduciary duty) or by reason of any right of ownership to title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive, or otherwise) and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, which indebtedness, liability, or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a debt provable in bankruptcy within the meaning of the BIA had EEI, EEL or EEP become bankrupt on the Filing Date, and includes:
- (i) a D&O Claim;
 - (ii) a D&O Indemnity Claim;
 - (iii) any right or claim of any Person against the Elcano Group in connection with any indebtedness, liability or obligation of any kind whatsoever

resulting from the restructuring, disclaimer, resiliation, termination or breach by the Elcano Group on or after the Filing Date of any contract, lease, or other agreement, whether written or oral, and whether or not such restructuring, disclaimer, resiliation, termination or breach took place before the date of this Claims Procedure Order; and

- (iv) that portion of any Claim (as defined herein) that is
 - (A) secured by security validly charging or encumbering property or assets of the Elcano Group (including statutory and possessory liens) up to the value of such collateral; and
 - (B) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Filing Date;

provided, however, that "**Claim**" shall not include an "**Excluded Claim**".

- (f) "**Claimant**" means any Person asserting a Claim and includes the transferee or assignee of a Claim, or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on or behalf of or through such Person.
- (g) "**Claims Bar Date**" means 5:00 P.M. Mountain Time on May 13, 2019, or such later date as may be ordered by the Court.
- (h) "**Claims Package**" means the materials to be provided by the Monitor to Persons who may have a Claim, which materials shall include:
 - (i) In the case of a Known Claimant, a notice setting out the amount of such Known Claimant's Claim as determined by the Elcano Group, in consultation with the Monitor, a blank Proof of Claim, a Proof of Claim Instruction Letter, and such other materials as the Elcano Group, in consultation with the Monitor, may consider appropriate.
 - (ii) In the case of an Unknown Claimant, a blank Proof of Claim, a Proof of Claim Instruction Letter, and such other materials as the Elcano Group or the Monitor may consider appropriate.

- (i) "**Claims Procedure**" means the procedures set forth in this Claims Procedure Order and the schedules thereto.
- (j) "**Court**" means the Court of Queen's Bench of Alberta, in the Judicial Centre of Calgary.
- (k) "**Creditors' Meeting**" means any meeting of creditors called for the purpose of considering and voting in respect of the Plan, if one is filed, to be scheduled pursuant to further order of the Court.
- (l) "**D&O Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of EEI or EEL, or any claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers;
- (m) "**D&O Indemnity Claim**" means any existing or future right of any Director or Officer against the Elcano Group which arose or arises as a result of any Person filing a Proof of Claim in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by the Elcano Group;
- (n) "**Director**" means anyone who is, was, or may be deemed to be, or to have been, by statute, operation of law, or otherwise, a director or de facto director of EEI or EEL.
- (o) "**Elcano Group**" means Elcano Exploration Inc., Elcano Exploration Ltd. and Elcano Energy Partnership.
- (p) "**Employee Amounts**" means all outstanding wages, salaries, and employee benefits (including employee medical, dental, disability, life insurance and similar benefit plans or arrangements, incentive plans, share compensation plans and employee assistance programs and employee or employer contributions in respect of pension or group savings plans, and other benefits), vacation pay, commissions, bonuses and other incentive payments, termination and severance payments, and employee expenses and reimbursements, in each case incurred in the ordinary course of business and consistently with existing compensation policies and

arrangements, and all equivalent amounts related to individuals who perform employment-like services for the Elcano Group as contractors.

- (q) **"Excluded Claim"** includes:
- (i) any claim secured by a Court-ordered charge in the CCAA Proceedings, whether arising from the terms of the CCAA Initial Order, or thereafter by order of the Court;
 - (ii) any claim in respect of Employee Amounts; and
 - (iii) any claim arising under a contract entered into by the Elcano Group after the Filing Date or with respect to goods or services provided to the Elcano Group on or after the Filing Date.
- (r) **"Filing Date"** means February 26, 2019.
- (s) **"Governmental Authority"** means a federal, provincial, state, territorial, municipal or other government or government department, agency, or authority (including a court of law) having jurisdiction over the Elcano Group or its business.
- (t) **"Known Claimant"** means:
- (i) any Person who, based upon the books and records of the Elcano Group, was owed monies by the Elcano Group as of the Filing Date, and which monies remain unpaid in whole or in part;
 - (ii) any Person who has commenced a legal proceeding in respect of a Claim, or given the Elcano Group written notice of an intention to commence a legal proceeding or demand for payment in respect of a Claim;
 - (iii) any Person who was at or prior to the Filing Date a party to a material lease, contract, or other agreement or obligation of the Elcano Group, with respect to which such Person may assert a Claim; and

- (iv) any Person who is a party to a lease, contract, or other agreement or obligation of the Elcano Group which was restructured, terminated, repudiated or disclaimed by the Elcano Group between the Filing Date and the date of this Claims Procedure Order.

- (u) "**Monitor's Website**" means www.relieffromdebt.ca/elcano-group/.

- (v) "**Newspaper Notice to Claimants**" means a notice for publication prepared by the Monitor in substantially the form attached hereto as Schedule "A".

- (w) "**Notice of Revision or Disallowance**" means a notice in substantially the form attached hereto as Schedule "D".

- (x) "**Notice of Dispute of Revision or Disallowance**" means a notice in substantially the form attached hereto as Schedule "E".

- (y) "**Officer**" means anyone who is, was, may be deemed to be, or have been, by statute, operation of law or otherwise, an officer or de facto officer of the Elcano Group.

- (z) "**Person**" includes an individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government Authority or other agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled and whether or not having legal status.

- (aa) "**Plan**" means any proposed plan(s) of compromise or arrangement to be filed in respect of the Elcano Group pursuant to the CCAA, as the same may be amended, supplemented or restated from time to time in accordance with the terms thereof.

- (bb) "**Proof of Claim**" means the Proof of Claim referred to herein, substantially in the form attached hereto as Schedule "B".

- (cc) "**Proof of Claim Instruction Letter**" means the instruction letter to Claimants, substantially in the form attached hereto as Schedule "C", setting forth instructions

for the completion of a Proof of Claim by a Claimant and regarding the Claims Procedure.

- (dd) **"Unknown Claimant"** means a Claimant that is not a Known Claimants, or a Claimant with an Excluded Claim.
4. All references as to time herein shall mean local time in Calgary, Alberta, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 P.M. Mountain Time on such Business Day unless otherwise indicated herein.
 5. The word "including" shall, when used herein, mean "including, without limitation".
 6. All Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars for purposes of any Plan at the Bank of Canada's noon exchange rate in effect on the Filing Date.
 7. Copies of all forms delivered hereunder, as applicable, and any determinations of Claims by the Court, shall be maintained by the Elcano Group, and subject to further order of the Court, the applicable Claimant will be entitled to reasonable access thereto by appointment during regular business hours on a Business Day on written request to the Elcano Group or the Monitor.
 8. A Person with an Excluded Claim shall not file a Proof of Claim, unless required to do so by further order of the Court, and the Monitor is not required to send a Claims Package to Persons with Excluded Claims.
 9. The Elcano Group may, with the consent of the Monitor, refer a Claim for resolution to the Court for voting and/or distribution purposes, where in the Elcano Group's view such a referral is necessary or desirable for the resolution of the valuation of the Claim.

Monitor's Role

10. The Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the CCAA Initial Order, shall assist the Elcano Group in connection with the administration of the Claims Procedure, and is directed and

empowered to take such actions and fulfill such roles as are contemplated by this Claims Procedure Order.

11. In carrying out the terms of this Claims Procedure Order, the Monitor shall incur no liability or obligation
 - (a) as a result of the carrying out of the provisions of this Claims Procedure Order; or
 - (b) as a result of its reliance, without independent investigation, on the books and records of the Elcano Group, and any information provided by the Elcano Group; except as arising from the Monitor's gross negligence or willful misconduct.
12. The Elcano Group and the Monitor may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order, including the completion and execution of the forms contemplated in the Claims Procedure, and to request any further documentation from a Person that the Elcano Group or Monitor may require in order to determine the validity of a Claim.

Claims Procedure

13. For each of the Known Claimants, the Elcano Group, in consultation with the Monitor, shall determine the classification and value of such Known Claimants' Claim for all purposes, on the basis of the books and records of the Elcano Group.
14. The Monitor shall send a Claims Package to each of the Known Claimants (or to the counsel of record for any such Known Claimants) by prepaid ordinary mail, courier, personal delivery, or electronic or facsimile transmission, before 11:59 P.M. Mountain Time on April 5, 2019. A Claims Package sent to a Known Claimant shall include the classification and value of such Known Claimant's Claim, as determined by the Elcano Group in accordance with this Claims Procedure Order.
15. The Monitor shall, as soon as practicable after the date of this Claims Procedure Order:

- (a) cause the Newspaper Notice to Claimants to be published, as soon as practicable after the date of this Claims Procedure Order, in each of the *Globe and Mail* (National Edition) and the *Winnipeg Free Press*; and
 - (b) post to the Monitor's Website electronic copies of the Newspaper Notice to Claimants, a blank Proof of Claim, and this Claims Procedure Order.
- 16. The Monitor shall send a Claims Package to any Unknown Claimant (or to counsel of record for such Unknown Claimant) on written request of the Unknown Claimant (or its counsel of record) to the Monitor.
- 17. A Known Claimant, having received a Claims Package, may notify the Elcano Group and the Monitor that it disagrees with the classification and/or the value of its Claim as determined by the Elcano Group and the Monitor and as set out in the Claims Package, by delivery of a Proof of Claim to the Monitor on or before the Claims Bar Date.
- 18. An Unknown Claimant wishing to assert a Claim must return a completed Proof of Claim to the Monitor on or before the Claims Bar Date.
- 19. Any action taken by the Elcano Group to restructure, disclaim, resiliate, terminate or breach any contract, lease, or other agreement, whether written or oral, pursuant to the terms of the CCAA Initial Order, must occur at least ten (10) Calendar Days prior to the date of the Creditors' Meeting. Any notice of disclaimer or resiliation delivered to a Claimant (or counsel of record for such Claimant) shall be accompanied by a Claims Package, and shall include the Elcano Group's assessment of the value of such Claim in accordance with this Claims Procedure Order. Notwithstanding anything to the contrary in this Claims Procedure Order, a Claimant receiving a Claims Package as a result of the Elcano Group's restructuring, disclaimer, termination, or breach of any contract, lease or other agreement under this paragraph (a "**Restructuring Period Claimant**") must notify the Elcano Group and Monitor of any disagreement with the value of its Claim by delivery of a Proof of Claim within five (5) Business Days of its (or its counsel's) receipt of a Claims Package under this paragraph.

Barring of Claims

20. A Known Claimant or Restructuring Period Claimant that does not object to the classification and/or the value of its Claim as set forth in the Claims Package in the manner directed by this Claims Procedure Order is:
- (a) deemed to have accepted the classification and value of its Claim as set forth in the Claims Package, and such value will be deemed to be the value of such Known Claimant's Claim, or such Restructuring Period Claimant's Claim, as the case may be, for all purposes; and
 - (b) forever barred from disputing the classification and value of the Claim as set forth in the Claims Package, and for greater clarity is forever barred from pursuing, enforcing, or otherwise asserting a Claim in an amount exceeding the value of its Claim as determined by the Elcano Group in accordance with this Claims Procedure Order.
21. Any Unknown Claimant that does not return a completed Proof of Claim to the Monitor on or before the Claims Bar Date, unless otherwise ordered by the Court, shall:
- (a) not be entitled to vote at any Creditors' Meeting;
 - (b) not be entitled to receive any distribution under any Plan;
 - (c) not be entitled to any further notice in, and shall not be entitled to participate as a Claimant or creditor in the CCAA Proceeding in respect of such Claim;
 - (d) be forever barred from making or enforcing any such Claim against the Elcano Group, or its Directors and Officers, and all such Claims will be forever extinguished and barred without any further act or notification by the Elcano Group; and
 - (e) be forever barred from making or enforcing such Claim against any other Person who could claim contribution or indemnity from the Elcano Group, its directors and officers, or any of them, and all such Claims will be forever extinguished and barred without any further act or notification by the Elcano Group.

Adjudication of Claims

22. The Elcano Group and the Monitor shall review all Proofs of Claim received by the Claims Bar Date and shall accept, revise or disallow the classification and/or the value of each Claim set out therein.
23. Where the Elcano Group and the Monitor wish to revise or disallow a Claim, either in whole or in Part, the Monitor shall deliver a Notice of Revision or Disallowance to the Claimant. Unless the Monitor delivers a Notice of Revision or Disallowance in accordance with this provision, the classification and value of such Claimant's Claim shall be deemed to be as set out in the Proof of Claim for all purposes.
24. Any Claimant who intends to dispute a Notice of Revision or Disallowance sent pursuant to the preceding paragraph shall:
 - (a) deliver a Notice of Dispute of Revision or Disallowance to the Monitor no later than 5:00 P.M. Mountain Time on the tenth Calendar Day after its or its counsel's receipt of the Notice of Revision or Disallowance, whichever is earlier; and
 - (b) within fifteen (15) Calendar Days of delivering the Notice of Dispute of Revision or Disallowance to the Monitor, file an application with the Court supported by an affidavit setting out the basis for its dispute of the Notice of Revision or Disallowance and send copies of the application and affidavit to the Elcano Group and the Monitor immediately after filing.
25. Unless a Claimant delivers a Notice of Dispute of Revision or Disallowance and schedules an application with the Court in accordance with paragraph 24 hereof, the classification and value of such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance for all purposes.

Resolution of Claims

26. Upon the Monitor's receipt of a Notice of Dispute of Revision or Disallowance, the Elcano Group, in consultation with the Monitor, may attempt to resolve the classification or value of the Claimant's Claim by consent. If the Claimant and the Elcano Group resolve the classification, and/or the value of the Claimant's Claim by consent, the Elcano Group may

accept, with the consent of the Monitor, a revised Claim, which shall be accepted as the Claimant's Claim for all purposes.

27. Where the classification and/or the value of a Claim is disputed, and has not been finally determined by the Court by the date of the Creditors' Meeting, the Elcano Group shall:
- (a) accept the Claimant's assessment of the classification and/or the value of the Claim as set out in the applicable Notice of Dispute of Revision or Disallowance, and conduct the vote of the creditors on that basis subject to a final determination of such Claim, and in such case the Monitor shall record separately the value of such Claimant's Claim for voting purposes, and whether such Claimant voted in favour of or against the Plan;
 - (b) adjourn the Creditors' Meeting until a final determination of the Claim(s) is made; or
 - (c) take such steps or actions as the Court may direct or as the Elcano Group, the Monitor and the Claimant may agree.

Indemnification of D&O Indemnity Claims

28. Any D&O Claim that:

- (a) has been accepted or revised by the Elcano Group and the Monitor; or
- (b) is resolved by consent by the Elcano Group and the Claimant or by final determination by the Court;

shall automatically be deemed to be an approved D&O Indemnity Claim by the Director(s) or Officer(s) named in the D&O Claim as against EEI and/or EEL (the entity that the Director or Officer named in the D&O Claim is a director or officer of).

Service and Notice

29. The Monitor and the Elcano Group may serve and deliver any letters, notices, or other documents contemplated by the Claims Procedure to Claimants, Directors or Officers, and

any other interested Persons, by ordinary mail, courier, personal delivery, or electronic or digital transmission to:

- (a) such Persons at the address as last shown in the records of the Elcano Group; or
- (b) any known counsel of record for any such Person.

30. Service or notice of any document on any Person (or on counsel of record for such Person) shall be deemed to have been received,

- (a) if sent by ordinary mail, on
 - (i) the third Business Day after mailing within Alberta;
 - (ii) the fifth Business Day after mailing within Canada, but outside of Alberta; and
 - (iii) the tenth Business Day after mailing outside of Canada;
- (b) if sent by courier or personal delivery, on the next Business Day;
- (c) if sent by electronic or digital transmission by 5:00 P.M. Mountain Time on a Business Day, on such Business Day, and if delivered after 5:00 P.M. Mountain Time or other than on a Business Day, on the following Business Day.

31. Any notice or other communication (including Proofs of Claim) to be given under this Claims Procedure Order to the Monitor shall be in writing in substantially the form (if any) provided for herein. Such notice or communication must be delivered by prepaid registered mail, courier, personal delivery, or electronic or digital transmission addressed to the following address, and shall be deemed received only upon actual receipt during normal business hours on a Business Day, or if delivered outside of normal business hours, the next Business Day:

Hardie & Kelly Inc.
Monitor of the Elcano Group
110, 5800 2nd Street SW
Calgary, Alberta
T2H 0H2

Attention: Marc Kelly
Phone: 403-536-8510
Fax: 403-640-0591
Email: mkelly@insolvency.net

32. If, during any period during which notices or other communications are being given pursuant to this Claims Procedure Order, a postal strike or postal work stoppage or slowdown should occur, such communications sent by ordinary mail and then not received shall not, unless this Court orders, be effective, and notices and other communications given hereunder during the course of any such postal strike, postal work stoppage, or slowdown, shall only be effective if given by courier, personal delivery, or electronic or digital transmission.
33. In the event that this Claims Procedure Order is later amended by further order of the Court, the Monitor shall post such amended order on the Monitor's Website and such posting shall constitute adequate notice of any amendment or change to the Claims Procedure to all affected Persons.

Set-off

34. The Elcano Group may set off (whether by way of legal, equitable, or contractual set-off) against payments or other distributions to be made under the Plan to any Claimant, any claims of any nature whatsoever that the Elcano Group may have against such Claimant; however, the failure of the Elcano Group to claim set-off in this manner shall not constitute a waiver or release by the Elcano Group of any such claim or right of set-off.

Miscellaneous

35. Notwithstanding any other provision of this Claims Procedure Order, the sending of any notice to a Claimant, or any Person, the solicitation of Proofs of Claim, and the filing by any Person of a Proof of Claim, shall not, for that reason only, grant any Person any standing in the CCAA Proceedings, or any rights under the Plan, if any.
36. Nothing in this Claims Procedure Order shall constitute, or be deemed, an allocation of Claims or Excluded Claims by the Elcano Group into particular affected or unaffected classes for the purposes of a Plan, and for greater certainty, the treatment of Claims, or Excluded Claims, are to be subject to a Plan and the class or classes of creditors for voting

and distribution purposes shall be subject to the terms of any proposed Plan or further order of the Court.

37. In the event that no Plan is approved by the Court, the Claims Bar Date shall be of no effect in any subsequent proceeding or distribution with respect to any Claims.
38. Nothing in this Order shall prejudice the rights and remedies of any Directors or Officers under any existing Directors' and/or Officers' liability insurance policy (a "**D&O Insurance Policy**") or prevent or bar any Person from seeking recourse against or payment from any D&O Insurance Policy or other insurance policy that exists to protect or indemnify the Directors and/or Officers, whether such recourse or payment is sought directly by the Person asserting a Claim from the insurer or derivatively through the Director or Officer or the Elcano Group.
39. This Court respectfully requests the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament Of Canada or the legislature of any province, and any court or any judicial, regulatory or administrative body of the United States of America, and of any other nation or state, to act in aid of the carrying out of the terms of this Claims Procedure Order.
40. This Claims Procedure Order shall have full force and effect in all provinces and territories of Canada, outside Canada and against all Persons against whom it may be enforceable.
41. The Elcano Group or the Monitor may apply to the Court to amend, vary, supplement or replace the terms of this Claims Procedure Order, or for advice and direction concerning the discharge of their respective powers and duties hereunder.

J.C.Q.B.A. or Clerk of the Court

SCHEDULE "A"

NEWSPAPER NOTICE TO CLAIMANTS AND OTHERS IN RESPECT OF CLAIMS

In the Matter of the CCAA Proceedings of Elcano Exploration Inc. ("EEI"), Elcano Exploration Ltd. ("EEL") and Elcano Energy Partnership ("EEP", and together with EEI and EEL, the "Elcano Group")

PLEASE TAKE NOTICE that this Newspaper Notice to Claimants is being published pursuant to an order of the Honourable Justice K.M. Horner of the Court of Queen's Bench of Alberta, Judicial Centre of Calgary, dated March 28, 2019 (the "**Claims Procedure Order**"). All capitalized terms not otherwise defined in this Newspaper Notice to Claimants shall have the meaning set forth in the Claims Procedure Order, which is posted on the website of the Monitor at www.relieffromdebt.ca/elcano-group/ (the "**Monitor's Website**").

A Claims Package will be delivered to all Known Claimants, and such Claims Package will set out the classification and value of such Known Claimant's Claim as determined by the Elcano Group, in consultation with the Monitor.

If you are a Known Claimant, and have received a Claims Package, and you do not dispute the classification or amount of your Claim as set forth in the Claims Package, no further action is required.

Any other Person who believes he, she, or it has a Claim (other than an Excluded Claim) against the Elcano Group, or the Directors or Officers of EEI or EEL, shall submit a Proof of Claim form (which may be found on the Monitor's Website) to evidence such a Claim. Please note that any Claim relating to goods and services provided on or after the Filing Date is an Excluded Claim.

Proof of Claim forms can also be obtained by contacting the Monitor at the address below, and providing particulars as to your name, address, facsimile number and e-mail address. Once the Monitor has this information, you will receive, as soon as practicable, a Proof of Claim form.

All Persons wishing to assert Claims, and all Known Claimants wishing to dispute the amount of their Claims, must submit their Proof of Claim forms by submitting them to the Monitor, no later than 5:00 P.M. (Mountain Time) on May 13, 2019, 2016 (the "Claims Bar Date") by registered mail, personal delivery, e-mail (in PDF format), courier or facsimile transmission, and all such Proof of Claim forms must be actually received by the Monitor before the Claims Bar Date, at the following address:

Hardie & Kelly Inc.
Monitor of the Elcano Group
110, 5800 2nd Street SW
Calgary, AB T2H 0H2

Attention: Marc Kelly
Phone: 403-536-8510
Fax: 403-640-0591
Email: mkelly@insolvency.net

CLAIMS WHICH ARE NOT RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

KNOWN CLAIMANTS WHO DO NOT DISPUTE THE AMOUNT OF THEIR CLAIMS BY THE CLAIMS BAR DATE WILL BE DEEMED TO HAVE ACCEPTED THE AMOUNTS SET FORTH IN THE CLAIMS PACKAGE.

The publication of this Notice to Claimant, the solicitation of Proofs of Claim by the Monitor or the Elcano Group, and/or the sending of a Proof of Claim by a Claimant to the Monitor, does not grant any Claimant or any Person standing in the CCAA Proceeding, or any rights under any Plan filed in respect of the Elcano Group or the Directors or Officers of EEI or EEL.

Schedule "B"

PROOF OF CLAIM

In the Matter of the CCAA Proceedings of Elcano Exploration Inc. ("EEI"), Elcano Exploration Ltd. ("EEL") and Elcano Energy Partnership ("EEP", and together with EEI and EEL, the "Elcano Group")

Regarding the claim of _____ (the "Claimant")

All notices or correspondence regarding this claim are to be forwarded to the Claimant at the following address:

Telephone Number: (____) ____ - _____

Facsimile Number: (____) ____ - _____

Email address: _____

Attention (Contact Person): _____

(All future correspondence will be delivered to the designated email address unless the Claimant specifically requests hard copies)

Please provide hard copies of correspondence to the address above.

I, _____ (*name of Claimant or authorized representative*), of _____ (*City, Province or State*), do hereby certify that:

1. The Claimant:

___ has requested a Claims Package from the Monitor, and wishes to assert a Claim

OR.

___ has received a Claims Package from the Monitor, and wishes to dispute the amount of the Claim as set forth by the Elcano Group in the Claims Package.

2. I am the Claimant.

OR

I am _____ (*position/title*) of the Claimant.

3. I have knowledge of all the circumstances connected with the claim referred to in this form.
4. The Claimant states that _____ [EEI, EEL and/or EEP] was/were, as of February 26, 2019, and still is/are, indebted to the Claimant in the sum of CDN\$ _____ (insert CDN\$ value of claim) as shown by the statement of account attached hereto and marked Schedule "A".

Any Claims denominated in a foreign currency need to be converted to Canadian dollars at the Bank of Canada's noon exchange rate in effect on February 26, 2019.

Claims should not include the value of goods and/or services supplied after February 26, 2019.

If the claim is to be reduced by deducting any counterclaim to which the Elcano Group is entitled, or amounts associated with the return of equipment or assets by the Elcano Group, please specify.

The statement of account must specify the evidence in support of the claim including the date and location of the delivery of all services and materials. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest.

5. A. UNSECURED CLAIM OF \$ _____. That in respect of this claim the Claimant does not hold and has not held any assets as security.
- B. SECURED CLAIM OF \$ _____. That in respect of this claim the Claimant holds assets valued at \$ _____ as security, particulars of which are as follows:

Give full particulars of the security, including the date on which the security was given and the value at which the claimant assesses the security together with the basis of valuation, and attach a copy of the security documents as Schedule "B".

6. Have you acquired this Claim by assignment? Yes No
(if yes, attach documents evidencing assignment)

DATED this ____ day of _____, 2019

Witness

Per: _____

Name of Claimant:

(if Claimant is not an individual,
print name and title of authorized signatory)

Name: _____

Title: _____

Schedule “C”

Proof of Claim Instruction Letter

In the Matter of the CCAA Proceedings of Elcano Exploration Inc. ("EEI"), Elcano Exploration Ltd. ("EEL") and Elcano Energy Partnership ("EEP", and together with EEI and EEL, the "Elcano Group")

CLAIMS PROCEDURE FOR ALL CLAIMANTS

By order of the Alberta Court of Queen’s Bench, dated March 28, 2019, (the “**Claims Procedure Order**”), pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”), the Elcano Group and Hardie & Kelly Inc., in its capacity as Court-appointed monitor of the Elcano Group (the “**Monitor**”), have been authorized to conduct a claims procedure (the “**Claims Procedure**”). A copy of the Claims Procedure Order and other public information concerning this proceeding can be obtained from the Monitor’s website at:

www.relieffromdebt.ca/elcano-group/ (the “**Monitor’s Website**”).

Additional copies of all forms and notices relating to the Claims Procedure, including blank Proof of Claim forms, can also be obtained from the Monitor’s Website.

This letter is intended to provide general instructions regarding the procedure to be followed in asserting a claim against the Elcano Group, or the directors and officers (a “**Claim**”). Capitalized terms not defined herein have the meaning ascribed to such terms in the Claims Procedure Order. Please review the Claims Procedure Order for the full terms and conditions of the Claims Procedure authorized by the Court.

All notices and inquiries with respect to the Claims Procedure should be directed to the Monitor by prepaid registered mail, courier, personal delivery, facsimile transmission, email, or telephone to the address below:

Hardie & Kelly Inc.
Monitor of the Elcano Group
110, 5800 2nd Street SW
Calgary, Alberta
T2H 0H2

Attention: Marc Kelly
Phone: 403-536-8510
Fax: 403-640-0591
Email: mkelly@insolvency.net

PROCESS FOR DISPUTING THE AMOUNT OF A CLAIM BY A KNOWN CLAIMANT

The Elcano Group and the Monitor have attempted, on a best efforts basis and on the basis of the books and records of the Elcano Group, to identify all Claims against the Elcano Group, and to assess the classification and value of all such Claims in accordance with the Claims Procedure. Any Person whose Claim against the Elcano Group has been identified and valued by the Elcano Group, in consultation with the Monitor, is a Known Claimant under the Claims Procedure.

If a Known Claimant receives a Claims Package, and does not dispute the amount of the Claim as set forth in the Claims Package, no further action is required. Such a Known Claimant may submit a Proof of Claim if it wishes, but this is not necessary.

A Known Claimant that wishes to dispute the amount of its Claim as set forth in the Claims Package must complete and return a Proof of Claim to the Monitor on or before 5:00 P.M. Mountain Time on May 13, 2019 (the “**Claims Bar Date**”).

If a Proof of Claim is not received from a Known Claimant on or before the Claims Bar Date, such Known Claimant is deemed to have accepted the determination of the Claim as set out in the Claims Package for all purposes, and any and all rights of such Known Claimant to dispute the Claim as so classified or valued, or otherwise to assert or pursue its Claim in an amount that exceeds the amount set forth in the Claims Package shall be forever extinguished and barred without further act or notification by the Elcano Group or the Monitor.

If a Known Claimant has additional Claims other than the Claims described in the Claims Package, such Known Claimant must file a separate Proof of Claim to assert such Claims prior to the Claims Bar Date, and in respect of such Claims must follow the procedure set forth below for Unknown Claimants.

PROCESS FOR ASSERTING A CLAIM BY AN UNKNOWN CLAIMANT

A Claimant that has not received a Claims Package assessing the value of its Claim, but believes it has a Claim (other than an Excluded Claim) against the Elcano Group is an Unknown Claimant under the Claims Procedure.

An Unknown Claimant may assert a Claim by submitting a completed Proof of Claim to the Monitor on or before the Claims Bar Date. All Proofs of Claim from Unknown Claimants must be received by the Monitor on or before the Claims Bar Date, unless otherwise ordered by the Court.

If an Unknown Claimant does not file a Proof of Claim in respect of any and all of its Claims on or before the Claims Bar Date, that Unknown Claimant will not be entitled to any vote at a meeting of creditors regarding the plan of compromise or arrangement being proposed by the Elcano Group (a “**Plan**”), will not be entitled to participate in any distributions under any Plan, and its Claims will be forever extinguished and barred without further act or notification by the Elcano Group or the Monitor.

PROCESS FOR DISPUTING A RESTRUCTURING PERIOD CLAIM

In the course of restructuring its business and affairs under the CCAA, the Elcano Group may, in accordance with the CCAA and in consultation with the Monitor, restructure, disclaim, resiliate, terminate or breach any contract, lease, or other agreement (written or oral).

If the Elcano Group takes any such action, it is required by the Claims Procedure to give notice to any affected party at least ten (10) Calendar Days before any Creditors’ Meeting. Any such notice of restructuring, disclaimer, resiliation, termination, or breach of contract, lease or other agreement, must be accompanied by a Claims Package, setting forth the value of the resulting Claim (a “**Restructuring Period Claim**”) as determined by the Elcano Group.

If a Claimant receives a Claims Package relating to a Restructuring Period Claim and does not dispute the amount of the Restructuring Period Claim as set forth in the Claims Package, no further action is required. Such a Claimant may submit a Proof of Claim if it wishes, but this is not necessary.

A Claimant that wishes to dispute the amount of its Restructuring Period Claim as set forth in the Claims Package must complete and return a Proof of Claim to the Monitor within five (5) Business Days of the date that such Claimant (or such Claimant's counsel of record) received the Claims Package.

If a Proof of Claim is not received in respect of a Restructuring Period Claim on or before the Claims Bar Date, the Claimant is deemed to have accepted the determination of the Restructuring Period Claim as set out in the Claims Package for all purposes, and any and all rights of such Claimant to dispute the Claim as so valued, or otherwise to assert or pursue its Claim in an amount that exceeds the amount set forth in the Claims Package shall be forever extinguished and barred without further act or notification by the Elcano Group or the Monitor.

DATED this _____ day of _____, 2019

Hardie & Kelly Inc., in its capacity as Monitor of Elcano Exploration Inc., Elcano Exploration Ltd. and Elcano Energy Partnership

Per: _____

Schedule "D"
Notice of Revision or Disallowance

To: [NAME AND ADDRESS OF CLAIMANT]

Date:

Proof of Claim No.

In the Matter of the CCAA Proceedings of Elcano Exploration Inc. ("EEI"), Elcano Exploration Ltd. ("EEL") and Elcano Energy Partnership ("EEP", and together with EEI and EEL, the "Elcano Group")

Take notice that Hardie & Kelly Inc., in its capacity as court-appointed monitor of the Elcano Group (the "**Monitor**") has reviewed the Proof of Claim in respect of the above-named Claimant, and the Elcano Group and Monitor have reviewed and assessed the Proof of Claim in accordance with the order of the Alberta Court of Queen's Bench issued on March 28, 2019 (the "**Claims Procedure Order**"). All capitalized terms not defined herein have the meaning given to such terms in the Claims Procedure Order.

The Monitor has revised or disallowed your claim in its entirety, for the following reason(s):

Subject to further dispute by you in accordance with the Claims Procedure, your Claim will be allowed as follows:

Name of Claimant	Claim Amount per Proof of Claim	Classification of Claim per Proof of Claim	Amount of Claim revised/disallowed	Classification of Claim revised/disallowed	Amount of Claim allowed for all purposes
	\$		\$		\$

IF YOU WISH TO DISPUTE THE REVISION OR DISALLOWANCE OF YOUR CLAIM AS SET FORTH HEREIN YOU MUST TAKE THE STEPS OUTLINED BELOW.

The Claims Procedure Order provides that if you disagree with the revision or disallowance of your claim as set forth herein, you must:

1. before 5:00 P.M. Mountain Time on the tenth Calendar Day after your (or your counsel's) receipt of this Notice of Revision or Disallowance, whichever is earlier, deliver to the Monitor a completed Notice of Dispute of Revision or Disallowance; and

2. within fifteen (15) Calendar Days of delivering the Notice of Dispute of Revision or Disallowance to the Monitor, file an application with the Court supported by an affidavit setting out the basis for your dispute of the Notice of Revision or Disallowance and send copies of the application and affidavit to the Elcano Group and the Monitor immediately after filing.

If you do not deliver a Notice of Dispute of Revision or Disallowance on or before the above deadline, you:

1. will be forever barred from making or enforcing any Claim against the Elcano Group or the Directors and Officers of EEI or EEL (other than with respect to a Claim in the amount allowed in this Notice of Revision or Disallowance), and all such Claims that you may have or have had, will be forever extinguished.
2. will not be entitled to vote on (and/or receive any distribution under) any Plan that is advanced on behalf of the Elcano Group, or entitled to any further notice or distribution under such a Plan, if any (other than with respect to a Claim in the amount allowed in this Notice of Revision or Disallowance).

If you have any questions or concerns regarding the Claims Procedure, or the attached materials, please contact the Monitor directly.

DATED the ____ day of _____, 2019

Hardie & Kelly Inc., in its capacity as Monitor of Elcano Exploration Inc., Elcano Exploration Ltd. and Elcano Energy Partnership

Per: _____

Schedule "E"
Notice of Dispute of Revision or Disallowance of Claim

In the Matter of the CCAA Proceedings of Elcano Exploration Inc. ("EEI"), Elcano Exploration Ltd. ("EEL") and Elcano Energy Partnership ("EEP", and together with EEI and EEL, the "Elcano Group")

To: Hardie & Kelly Inc., court-appointed Monitor of the Elcano Group (the "Monitor")

Date:

Proof of Claim No.:

Claimant: [NAME AND ADDRESS OF CLAIMANT]

Pursuant to the order of the Court of Queen's Bench of Alberta dated March 28, 2019 (the "**Claims Procedure Order**"), the above-noted Claimant hereby gives notice that it disputes the Notice of Revision or Disallowance dated _____, 2019, issued by the Monitor.

The Claimant accepts/disputes the Claim as revised and or disallowed in the said Notice of Revision or Disallowance as follows:

Amount of Revised Claim accepted by Monitor	Amount of Revised Claim as disputed	Classification of Revised Claim by Monitor	Classification of Revised Claim as disputed
\$	\$		

Reason for the dispute (*attach copies of any supporting documentation*)

Address for service of Notice of Dispute of Revision or Disallowance:

Hardie & Kelly Inc.
 Monitor of the Elcano Group
 110, 5800 2nd Street SW
 Calgary, Alberta
 T2H 0H2

Attention: Marc Kelly
Phone: 403-536-8510
Fax: 403-640-0591
Email: mkelly@insolvency.net

THIS FORM AND ANY REQUIRED SUPPORTING DOCUMENTATION MUST BE RETURNED TO THE MONITOR BY REGISTERED MAIL, PERSONAL SERVICE, EMAIL (IN PDF FORMAT), FACSIMILE OR COURIER TO THE ABOVE-NOTED ADDRESS, AND MUST BE RECEIVED BY THE MONITOR BEFORE 5:00 P.M. MOUNTAIN TIME ON THE TENTH DAY AFTER YOU OR YOUR COUNSEL RECEIVED THE NOTICE OF REVISION OR DISALLOWANCE FROM THE MONITOR.

DATED this ____ day of _____, 2019

Witness

Per: _____

Name of Claimant:

(if Claimant is not an individual,
print name and title of authorized signatory)

Name: _____

Title: _____

SCHEDULE "C"

CLERK'S STAMP

SCHEDULE "C"

COURT FILE NUMBER

1901 – 02578

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9, as amended

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF ELCANO EXPLORATION INC., ELCANO EXPLORATION LTD. and ELCANO EXPLORATION PARTNERSHIP

DOCUMENT

ORDER (CRITICAL SUPPLIERS)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard and Kelsey Meyer
Telephone No.: 403-298-4485 / 403-298-3323
Fax No.: 403-265-7219
Client File No.: 86037.1

DATE ON WHICH ORDER WAS PRONOUNCED:

Thursday, March 28, 2019

LOCATION OF HEARING OR TRIAL:

Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER:

The Honourable Madam Justice K.M. Horner

UPON the Application of Elcano Exploration Inc. ("**EEL**") and Elcano Exploration Ltd. ("**EEL**");
AND UPON having read the Application, the Affidavit of Richard Fulton sworn March 18, 2019

(the "**Fulton Affidavit**"), the First Report of Hardie & Kelly Inc., the Court-appointed Monitor of the Applicants (the "**Monitor**"), and the Affidavit of Service of Allison Endersby affirmed March ●, 2019, all filed; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the National Bank of Canada ("**NBC**"), and counsel for other interested parties:

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of this application and supporting document is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this application.
2. EEI, EEL and Elcano Energy Partnership ("**EELP**", and, together with EEI and EEL, the "**Elcano Group**") shall be entitled but not required to pay outstanding invoices owed by them to the following parties deemed by the Elcano Group (with the consent of the Monitor) to be critical suppliers:
 - (a) Crosswind Farms Ltd.;
 - (b) Du-All Oilfield Services Ltd.; and
 - (c) L.C.'s Contract Operating Ltd.

(collectively, the "**Critical Suppliers**"), in the total amount of CDN \$36,684.37, being the total amount owed to the Critical Suppliers for goods and services actually supplied by them to the Elcano Group prior to the date of the Initial Order granted in these proceedings on February 26, 2019.
3. The Elcano Group shall serve this Order on the persons listed on the service list by any of email, facsimile, courier, registered mail, regular mail, or personal delivery, and no persons other than those on the service list are required to be served with a copy of this Order.

J.C.Q.B.A. or Clerk of the Court

SCHEDULE "D"

CLERK'S STAMP

SCHEDULE "D"

COURT FILE NUMBER

1901 – 02578

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9, as amended

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF ELCANO EXPLORATION INC., ELCANO EXPLORATION LTD. and ELCANO EXPLORATION PARTNERSHIP

DOCUMENT

ORDER (SEALING OF CONFIDENTIAL EXHIBIT)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard and Kelsey Meyer
Telephone No.: 403-298-4485 / 403-298-3323
Fax No.: 403-265-7219
Client File No.: 86037.1

DATE ON WHICH ORDER WAS PRONOUNCED:

Thursday, March 28, 2019

LOCATION OF HEARING OR TRIAL:

Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER:

The Honourable Madam Justice K.M. Horner

UPON the Application of Elcano Exploration Inc. ("**EEL**") and Elcano Exploration Ltd. ("**EEL**"); **AND UPON** having read the Application, the Affidavit of Richard Fulton sworn March 18, 2019 (the "**Fulton Affidavit**") including Confidential Exhibit "●" thereto, the First Report of Hardie & Kelly Inc., the Court-appointed Monitor of the Applicants (the "**Monitor**"), and the Affidavit of Service of Allison Endersby affirmed March ●, 2019, all filed; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the National Bank of Canada ("**NBC**"), and counsel for other interested parties:

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of this application and supporting document is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this application.
2. Confidential Exhibit "1" to the Affidavit of Richard Fulton sworn March 18, 2019 shall be sealed on the Court file, kept confidential and not form part of the public record, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*, until the conclusion of these proceedings pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.
3. The Clerk of the Court shall file the Confidential Exhibit in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED IN COURT FILE NO. 1901-02578. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER GRANTED BY THE HONOURABLE MADAM JUSTICE K. M. HORNER ON MARCH 28, 2019, AND ARE NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE, UNTIL THE CONCLUSION OF THESE PROCEEDINGS PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, C. C-36, AS AMENDED.

4. Leave is hereby granted to any person or party affected by this Order to apply to this Honourable Court for a further order modifying or varying the terms of paragraphs 2 or 3 of this Order, with such application to be brought on no less than seven (7) days' notice to the Elcano Group, the Monitor, and any other affected party pursuant to the *Alberta Rules of Court*.

5. The Elcano Group shall serve this Order on the persons listed on the service list by any of email, facsimile, courier, registered mail, regular mail, or personal delivery, and no persons other than those on the service list are required to be served with a copy of this Order.

J.C.Q.B.A. or Clerk of the Court